

Brownfields *“Nuts & Bolts”*



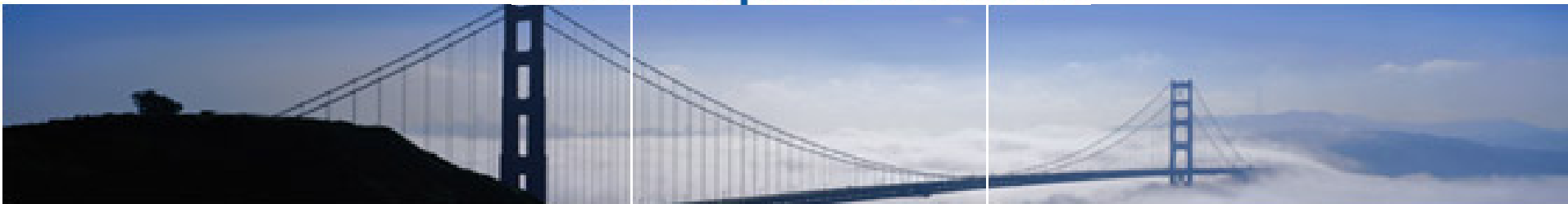
Finding \$\$\$ Money \$\$\$ for Brownfield Site Reuse – *An Overview*

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Passion. Expertise. Results.



The *Brownfields* “Red Zone”

What Impact Does Contamination Have on Financing?

Conceptualizing and Planning the Project

Economic Analysis for Marketing the Project

Dealing with Stigma

\$ for Site Assessment

**Additional Underwriting/Site Development/R.O.R.
Costs**

**\$ for Preparing a Cleanup Plan and Taking It Through
VCP/State/Local Regulatory Agencies**

\$ for Cleanup

“Regular” Real Estate Construction/Development Costs When
Site is “Shovel Ready”

Lender/investor issues – Process Considerations

Some of the Mushy Stuff...

- Does the project make good credit sense?
- Are regulators comfortable with the proposed approach?
- What tools can be deployed?
 - Legal/liability, private and public financial
- Is the bank officer comfortable with:
 - Developer/developer expertise in brownfield projects?
 - Environmental/technical consultants?
 - Proposed end-use (i.e., industrial v. residential)?





How Can Public Financing Initiatives Help?

- Provide resources directly
 - *grants; forgivable/performance loans*
- Reduce lender's risk
 - *loan guarantees; companion loans*
- Reduce borrower's costs
 - *interest-rate reductions or subsidies; due diligence assistance*
- Improve the borrower's financial situation
 - *re-payment grace periods; tax abatements; training and technical assistance help*
- Provide comfort to lenders or investors
 - *loan guarantees; performance data*

Packaging brownfield project financing -- the Pink Floyd strategy

**Money, it's a crime.
Share it fairly but don't take
a slice of my pie.**

***B'F Translation – It's all about
leveraging...***

Creatively using development and
environmental programs to meet a range
of site redevelopment needs, attract
private financing for –

- assessment, clean up, demolition,
renovation, ICs, marketing, upgrades,
preparation, etc.
- while fitting program eligibility
and competing for resources



Animals, 1977

Where Can You Get the *Green* for *Brownfields*?

Federal Programs Most Commonly Used

Loans

- EDA's Title IX (capital for local revolving loan funds)
- HUD funds for locally determined CDBG loans and "floats"
- EPA capitalized revolving loan funds

Grants

- HUD's Brownfield Economic Development Initiative (BEDI)
- HUD's Community Development Block Grants (for projects locally determined)
- EPA assessment and cleanup grants
- EDA public works economic adjustment

Grants (continued)

- DOT (various system construction and rehabilitation programs)
- DOT's transportation and community system preservation (TCSP) grants
- Army Corps of Engineers (cost-shared services)

Tax incentives and tax-exempt financing

- Expensing of cleanup costs
- Historic rehabilitation tax credits
- Low-income housing tax credits
- New Markets Tax Credits

How Have these Programs Been Used to Support Brownfield Redevelopment?

- **brownfield redevelopment/revitalization planning**
- **site acquisition**
- **environmental site assessment**
- **site clearance, demolition, and removal of buildings**
- **rehabilitation of buildings**
- **removal or remediation of contamination**
- **construction of infrastructure and related improvements that enhance brownfield site value**

Activities often carried out in partnerships with the private sector, or to leverage private participation

Where Can You Get the **Green** for **Brownfields**?

State Brownfield Financing Innovations

- * 23 states offer tax incentives linked to site assessment and cleanup*
- * 19 states target financial assistance programs to brownfields*
- * 13 states offer direct financial assistance*
- * 10 states have initiatives to enhance/support the brownfield financing process*

Where Can You Get the *Green* for *Brownfields*?

Local Financing Program Support: Creatively Putting a Brownfield's “Spin” on the Tried and True

- *Tax increment financing/ variations*
- *Tax abatements/ variations*
- *Revolving loan funds (RLFs)*
- *General obligation bonds*



Charlie's contact information

For further information.....

For additional examples and information....

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